

**MARTIN CITY COUNTY WATER DISTRICT  
BOARD OF DIRECTORS MEETING**  
January 18, 2018, LIETZ HALL, MARTIN CITY, MT  
**Minutes**

The meeting was called to order at 7:04 p.m. Present: Board Members Greg Doggett, Jacque Ferbrache, Jim Zerbe and Fay Dowling; General Manager/Chief Operator Shane Pierson, Back-up Operator John Helton, and Clerk Victoria Zerbe. Potential Directors, Cindy Doggett and Ed Benton, were also present.

**The Minutes for October 19, 2017 were approved by unanimous consent.**

The monthly coliform water test results in November, December, and January were satisfactory. For the Operator's Report, Shane Pierson reported that in November, Joe and Star Herzog's septic needed repair due to broken lines where Watson Excavating equipment drove over it the system during replacement of the old Hwy 2 water line. Tom Torpin was hired to complete repair. Back-up Operator John Helton read the meters.

In December, John finished maintenance on the generator, and obtained a donation of a concrete warming blanket for the machine from Kevin Davey. Its block heater needs to be checked to see if it is working properly. The Sensaphone may also need maintenance because of the number of tries it takes to cancel high water alarms. To finalize the Watson billing for the Hwy 2 water line project, Shane submitted a breakdown of the project, photos, all bills and a landscaping bid to the Board President. The photos will be placed in the project file in the pumphouse for future reference. Shane delivered four late notices, and all customers paid before shut off date. Flow reports since 2013 were submitted to the Department of Natural Resources. They will again be completed annually. The parts and tool inventories will be completed during January. All O&M Strategy items were completed in a timely fashion during the last three months.

Four modified top nut security devices for fire hydrants and four wrenches have been purchased and will be delivered soon. Three of the wrenches will be given to the Martin City, Hungry Horse, and Coram fire departments, while the final wrench will be stored in the MCCWD pumphouse. The devices will be placed on previously tampered-with fire hydrants or ones not easily monitored. The current low amount of Work Orders reflects the up-to-date status of Operations.

In review of the System Reports for October, the system water loss of nearly 40% predated the leak repair. The System Reports for November reflected a 14.91% water loss and the pattern followed through in December, where water loss amounted to 55,398 gallons, significantly less than the 272,078 gallons loss in October. Route 1 depicted the same pattern of decreased water loss. Water loss in Route 2 in December amounted to 1,300 gallons and 10.83%. The Usage Reports for the last three months showed the gradual decrease of water use through the fall and into winter. According to the Clerk, the Adjustments Reports reflected Andrew Paglio's new service payments in October and similar payments from the Flathead County Road Department for its new installation fee in November. The Board reviewed Rate Code Reports, where residential-sized connections total 109, the majority of MCCWD's customers. The Usage and Loss Report for December illustrated that 2017 ended with two of the lowest loss percentages of the year, and that the number of customers continues to rise.

The Comparison Reports for November and December reflected lower water loss percentages than a year ago.

The Clerk reviewed the District's financial statements for October 31, November 30, and December 31, 2016. After final tax bill year-end receipts from Flathead County were deposited in MCCWD's Tax Roll Fund #7273, the total for 2017 amounted to \$30,505.02. The Capital Investment Fund #7274 received a total of \$2,239.82 in interest distribution for the year. The Clerk informed the Board that the 2017 year-to-date figures of the Profit & Loss statement corresponded to the 2017 Actual figures on the MCCWD Budget. The Balance Sheet for December 2017 recorded \$215,514.36 for the County Capital Fund #7274. The Clerk reported that the figure now totaled \$181,982.53 after the payment of \$33,531.83 to Watson Excavating for the Hwy. 2 replacement project.

The 2017 Cash Flow Forecast was reviewed next. The Board President described how the Cash Flow Forecast was a working indicator of the District's financial health and noted that the District operates "in the black." There were no questions on the Clerk's time sheets.

The Disbursement Report for November 15, 2017 listed the Montana State Fund Policy Year 2015 Dividend of \$177.64; tax bills payments of \$21.78; and a payment of \$216 for the Montana Department of Environmental Quality Annual Connection Fee. Andrew Paglio's Property Tax Payment, which was for the District's final surplus lot sold, but still included on MCCWD's tax bill, was listed on the December 15, 2017 Disbursement Report. Payments of \$289.00 to RVS Software for its 2018 Annual Software Maintenance and Updates, and \$600.00 in payments to the Montana Department of Natural Resources and Conservation for water permits that were going to expire. Board President Greg Doggett was able to renew the permits thus extending the District's water rights permits for 20 years.

The January 18, 2018 Disbursement Report listed the 941 Employer's Federal Quarterly tax payment of \$1,419.14; the MT Unemployment Quarterly Tax payment of \$40.23; the MT Annual Withholding Tax of \$1,053.00, and \$475.65 for the first installment for January 2018 Montana State Fund Workmen's Compensation Insurance. Additional payments were made to Tom's Backhoe Service for \$345 for Herzog's septic repair, and \$350 for Libby Landscaping's snowplowing. **A motion to approve the Disbursement Reports dated November 15, December 15, and January 18 was made by Jacque, seconded by Fay, and unanimously approved by the Board.**

The Past Due Reports were reviewed. In December, a turn-off notice was issued to Florian Skyland, Act. #177. His payment was received before the turn-off date.

Under Old Business, issues that have occurred with the replacement of the 1 1/2" line north of Old Hwy. 2 were reviewed. Matters included that the project was not completed by September 8 as stipulated in the contract; payment of Chief Operator Pierson hours dealing with the problems caused to the Herzog's property; and the charges incurred by A2Z Engineering and charged to the District because of the contractor's mistakes. Other items included Joe Herzog's septic repair and not completed re-vegetation work; additional drilling charges being billed by the company; the boring of the entire length of Herzog's property; and the installation of detectable buried warning tape.

At the last MCCWD's Board Meeting, a motion was passed to approve payment of a

substantial portion of the cost of parts and materials incurred by Watson Excavating in the replacement line project. In an effort to resolve any and all outstanding issues, and to make a single, complete payment, Board President Greg Doggett forwarded a letter to Watson highlighting the above issues and the proposal of a final payment amount of \$33,531.83. After limited response and a lengthy delay by Watson, the settlement proposal was accepted. The Clerk conducted a Board query in which all five Board Members agreed to the immediate payment. Flathead County Finance Department issued and mailed a check from the District's Capital Improvement Fund #7274 for \$33,531.83 to Watson Excavating on January 12, 2018.

To finish the project, Herzog's landscaping repair will be scheduled in early Spring, a final payment will be made to A2Z Engineering for their additional billed hours when received, and a future Board discussion on the installation of detectable buried warning tape and insulated copper toning wire will be held.

Under New Business, after a brief discussion, **Greg made a motion to credit the Herzog's account for \$255.20, the same amount they paid for water usage last year, as a thank you for the ongoing annoyances and property damage they endured during the various stages of the Hwy 2 project. Fay Dowling seconded the motion and all approved.**

The MCCWD 2018 Budget expenses were reviewed. **Greg made a motion to approve MCCWD's 2018 Budget. Jim seconded the motion and all approved.**

Next Fay Dowling's resignation was accepted by the Board. New candidates considering filling Fay's position were Ed Benton and Cindy Doggett. After discussions on the responsibilities of a Director and the time involved, both candidates will give further consideration to the appointment and notify the Clerk of their decisions.

The District's next Board Meeting was scheduled for Thursday, April 19, 2018 at 7:00 p.m. As there were no other items to discuss, Jim made a motion at 8:35 p.m. to adjourn, and Jacques seconded it; all agreed.

Respectfully submitted,

Victoria Zerbe